
DISTRICT ATTORNEY OF THE NINETEENTH
JUDICIAL DISTRICT

EAST BATON ROUGE PARISH, LOUISIANA

FINANCIAL REPORT

DECEMBER 31, 2007

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Release Date

7/30/08



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DISTRICT ATTORNEY OF THE NINETEENTH
JUDICIAL DISTRICT

EAST BATON ROUGE PARISH, LOUISIANA

FINANCIAL REPORT

DECEMBER 31, 2007

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INDEPENDENT AUDITORS' REPORT

The Honorable Doug Moreau
District Attorney of the Nineteenth
Judicial District
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the District Attorney of the Nineteenth Judicial District (the "District Attorney"), a component unit of the City-Parish of Baton Rouge, as of and for the year ended December 31, 2007, which collectively comprise the District Attorney's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District Attorney. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District Attorney, as of December 31, 2007, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2008, on our consideration of the District Attorney's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 7 through 13 and 35 and 36 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Baton Rouge, Louisiana
June 3, 2008

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Doug Moreau
District Attorney of the Nineteenth
Judicial District
Baton Rouge, Louisiana

We have audited the financial statements of the governmental activities and each major fund District Attorney of the Nineteenth Judicial District (the "District Attorney") as of and for the year ended December 31, 2007, which collectively comprise the District Attorney's basic financial statements and have issued our report thereon dated June 3, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District Attorney's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District Attorney's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District Attorney's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District Attorney's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District Attorney's financial statements that is more than inconsequential will not be prevented or detected by the District Attorney's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District Attorney's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District Attorney's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the State of Louisiana Legislative Auditor's Office, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. However, under /Louisiana Revised Statute 24:313, this report is distributed by the Legislative Auditor as a public document.



Baton Rouge, Louisiana
June 3, 2008

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Doug Moreau
District Attorney of the Nineteenth
Judicial District
Baton Rouge, Louisiana

Compliance

We have audited the compliance of the District Attorney of the Nineteenth Judicial District (the "District Attorney") with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2007. The District Attorney's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable its major federal program is the responsibility of the District Attorney's management. Our responsibility is to express an opinion on the District Attorney's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District Attorney's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District Attorney's compliance with those requirements.

In our opinion, the District Attorney complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2007.

The management of the District Attorney is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program. In planning and performing our audit, we considered the District Attorney's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District Attorney's internal control over compliance.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Baton Rouge, Louisiana
June 3, 2008

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2007

This section of District Attorney's annual financial report presents our discussion and analysis of the District Attorney's financial performance during the fiscal year that ended on December 31, 2007. Please read it in conjunction with the District Attorney's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District Attorney's total net assets decreased by \$262,807 over the course of this year's operations. During the year, the District Attorney's expenses exceeded revenues by that amount.
- The total cost of the District Attorney's programs was \$9,143,954, an increase of approximately \$1,635,299 or 22 percent
- The general fund reported a surplus of \$181,331.

In 2007, the District Attorney implemented GASB Statement No. 45 Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions ("GASB 45"). For background information on GASB 45 and Other Postemployment Benefits ("OPEB"), please see note 1 to the financial statements. The financial reporting impact resulting from the implementation of GASB 45 was the recognition of an additional expense and liability totaling \$800,416 in the District Attorney's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District Attorney:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District Attorney's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District Attorney government, reporting the District Attorney's operations in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
 - Fiduciary fund statements provide information about the financial relationships in which the District Attorney acts solely as agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the District Attorney's financial statements, including the portion of the District Attorney's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2007

<p align="center">Figure A-1 Major Features of District Attorney's Government and Fund Financial Statements</p>			
	Fund Statements		
	Government-wide Statements	Governmental Funds	Fiduciary Funds
Scope	Entire District Attorney government (except fiduciary funds)	The activities of the District Attorney that are not proprietary or fiduciary	Instances in which the District Attorney is the trustee or agent for someone else's resources, such as the retirement plan for District Attorney employees
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statements of fiduciary net assets • Statements of changes in fiduciary net assets
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short-term and long-term; the District Attorney's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2007

Government-wide Statements

The government-wide statements report information about the District Attorney as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District Attorney's net assets and how they have changed. Net assets—the difference between the District Attorney's assets and liabilities—is one way to measure the District Attorney's financial health, or position.

- Over time, increases or decreases in the District Attorney's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the District Attorney are divided into two categories:

- Governmental activities—most of the District Attorney's basic services are included here. Fines and state and federal grants finance most of these activities.
- Fiduciary activities—Agency Funds are used to account for assets held by the Office of the District Attorney as an agent for other governments and/or other funds. The Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

Fund Financial Statements

The fund financial statements provide more detailed information about the District Attorney's most significant funds—not the District Attorney as a whole. Funds are accounting devices that the District Attorney uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2007

Fund Financial Statements (continued)

The District Attorney has two kinds of funds:

- **Governmental funds**—Most of the District Attorney's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District Attorneys programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page, that explains the relationship (or differences) between them.
- **Fiduciary funds**—We exclude these activities from the District Attorney's government-wide financial statements because the District Attorney cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT ATTORNEY AS A WHOLE

Net assets. The District Attorney's combined net assets decreased between fiscal years 2006 and 2007 to approximately \$3.7 million. (See Table A-1)

Table A-1
District Attorney's Net Assets

	Governmental Activities	
	2007	2006
Current and other assets	\$4,145,544	\$3,937,869
Capital assets	597,527	240,608
Total assets	4,743,071	4,178,477
Current liabilities	1,041,624	214,209
Total liabilities	1,041,624	214,209
Net assets		
Invested in capital assets, net of related debt	597,527	240,608
Unrestricted	3,103,920	3,723,660
Total net assets	\$3,701,447	\$3,964,268

Net assets of the District Attorney's governmental activities decreased 7 percent to approximately \$3.7 million.

Changes in net assets. The District Attorney's total revenues increased by 9.9 percent to approximately \$8.9 million (See Table A-2) Approximately 73 percent of the District Attorney's revenue comes from appropriations from the State of Louisiana and the City of Baton Rouge/Parish of East Baton Rouge.

The total cost of all programs and services increased approximately \$1,635,299 or 22 percent. The District Attorney's expenses cover all services performed by its office.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2007

Governmental Activities

Revenues for the District Attorney's governmental activities increased 9.9 percent and total expenses increased 22 percent as reflected below in Table A-2:

Table A-2
Changes in District Attorney's Net Assets

	Governmental Activities	
	2007	2006
Revenues		
Program revenues		
Charges for services	\$2,179,835	\$2,013,105
State grants and entitlements	6,475,705	5,907,964
Other	225,607	167,262
Total revenues	8,881,147	8,088,331
Expenses		
General government	9,143,954	7,508,655
Total expenses	9,143,954	7,508,655
Increase (decrease) in net assets	(\$262,807)	\$579,676

A further breakdown of expenses by activity is reflected in Table A-3 below:

Table A-3
Net Cost of District Attorney's Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2007	2006	2007	2006
Public Safety	\$ 8,119,340	\$ 6,689,081	(\$ 353,661)	\$ 409,036
IV-D program	1,024,614	819,574	(134,753)	3,378
	<u>\$ 9,143,954</u>	<u>\$ 7,508,655</u>	<u>(\$ 488,414)</u>	<u>\$ 412,414</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2007**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As the District Attorney completed the year, its governmental funds reported a combined fund balance of \$3.9 million, an increase of \$180,690 from last year.

General Fund Budgetary Highlights

- Over the course of the year, the District Attorney amended its budget to reflect changes in estimated personnel costs. An analysis of the budgets compared to actual results is reflected in Table A-4:

**Table A-4
Original and Final Amended Budget Comparison
General Fund**

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Difference</u>
Revenue	\$ 6,765,500	\$ 6,295,500	(\$ 470,000)
Expenses	<u>6,830,000</u>	<u>7,570,000</u>	<u>(740,000)</u>
Net revenues (expenses)	<u>\$ (64,500)</u>	<u>\$ (1,274,500)</u>	<u>(\$ 1,210,000)</u>

- A comparison of the actual results to the original budget is reflected in Table A-5:

**Table A-5
Original Budget Comparison
General Fund**

	<u>Original Budget</u>	<u>Actual Budget Results</u>	<u>Difference</u>
Revenue	\$ 6,765,500	\$ 7,979,717	\$ 1,214,217
Expenses	<u>6,830,000</u>	<u>7,798,386</u>	<u>968,386</u>
Net revenues (expenses)	<u>\$ (64,500)</u>	<u>\$ 181,331</u>	<u>\$ 245,831</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2007**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2007, the District Attorney had invested \$597,527 in capital assets. (See Table A-6.)

**Table A-6
District Attorney's Capital Assets
(net of depreciation)**

	Governmental Activities	
	2007	2006
Furniture and equipment	\$ 121,227	\$ 124,544
Vehicles	476,300	116,064
Total	\$ 597,527	\$ 240,608

The increase was due to the purchase of approximately twenty new vehicles to replace older vehicles that were fully depreciated.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District Attorney is dependent on the State of Louisiana and the City of Baton Rouge for approximately 73 percent of its revenues. These entities receive a substantial part of their revenues from taxes. The economy is not expected to generate any significant growth. Therefore, the District Attorney's future revenues are expected to be consistent with the current years. The budget for the 2007 year is approximately the same as the year 2006's budget.

CONTACTING THE DISTRICT ATTORNEY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District Attorney's finances and to demonstrate the District Attorney's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Mark Dumaine, First Assistant District Attorney, 222 St. Louis St., Governmental Building, 5th Floor, Baton Rouge, LA 70802.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

STATEMENT OF NET ASSETS

DECEMBER 31, 2007

ASSETS

Cash and cash equivalents	\$ 4,016,402
Receivables	129,142
Capital assets, net of accumulated depreciation	<u>597,527</u>
TOTAL ASSETS	<u>4,743,071</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	47,229
Accrued compensated absences	122,180
Post-employment benefit liability	800,416
Other liabilities	<u>71,799</u>
TOTAL LIABILITIES	<u>1,041,624</u>

NET ASSETS

Invested in capital assets	597,527
Unrestricted	<u>3,103,920</u>
TOTAL NET ASSETS	<u>\$ 3,701,447</u>

The accompanying notes are an integral part of this financial statement.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

	Program Revenues		Net (Expense)	
		Operating	Revenue and	
	Charges for	Grants and	Changes in	
Expenses	Services	Contributions	Net Assets	
			Governmental	
			Unit	
<u>FUNCTIONS/PROGRAMS</u>				
Governmental activities:				
Public safety	\$ 8,119,340	\$ 2,179,835	\$ 5,585,844	\$ (353,661)
Health and welfare	<u>1,024,614</u>	<u>-</u>	<u>889,861</u>	<u>(134,753)</u>
Total governmental activities	<u>\$ 9,143,954</u>	<u>\$ 2,179,835</u>	<u>\$ 6,475,705</u>	<u>(488,414)</u>
General Revenues:				
Interest and investment earnings				172,230
Miscellaneous				<u>53,377</u>
Total general revenues and special items				<u>225,607</u>
Expenses over revenues				(262,807)
Net assets - January 1, 2007				<u>3,964,254</u>
Net assets - December 31, 2007				<u>\$ 3,701,447</u>

The accompanying notes are an integral part of this financial statement.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

GOVERNMENTAL FUNDS

BALANCE SHEET

DECEMBER 31, 2007

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and certificates of deposit	\$ 3,751,558	\$ 264,844	\$ 4,016,402
Accounts receivable	53,439	75,703	129,142
 TOTAL ASSETS	 <u>\$ 3,804,997</u>	 <u>\$ 340,547</u>	 <u>\$ 4,145,544</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 43,660	\$ 3,569	\$ 47,229
Accrued compensated absences	102,162	20,018	122,180
Other liabilities	71,799	-	71,799
 TOTAL LIABILITIES	 <u>217,621</u>	 <u>23,587</u>	 <u>241,208</u>
 Fund balances:			
Unreserved - undesignated	3,587,376	316,960	3,904,336
 TOTAL FUND BALANCES	 <u>3,587,376</u>	 <u>316,960</u>	 <u>3,904,336</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 3,804,997</u>	 <u>\$ 340,547</u>	 <u>\$ 4,145,544</u>

The accompanying notes are an integral part of this financial statement.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2007

Total fund balances - Governmental Funds		\$ 3,904,336
Post-employment benefit liability		(800,416)
Cost of capital assets at December 31, 2007	1,768,591	
Less: accumulated depreciation as of December 31, 2007	<u>(1,171,064)</u>	<u>597,527</u>
Total net assets at December 31, 2007 - Governmental Activities		<u>\$ 3,701,447</u>

The accompanying notes are an integral part of this financial statement.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2007

	General Fund	Special Revenue Fund	Total
<u>REVENUES</u>			
Fines and forfeitures	\$ 947,462	\$ -	\$ 947,462
Interest	160,660	11,570	172,230
Intergovernmental revenue:			
Louisiana Department of Social Services	-	889,861	889,861
Incentive payments	29,200	-	29,200
City of Baton Rouge	3,754,779	-	3,754,779
State of Louisiana	1,831,065	-	1,831,065
Check collection fees	240,266	-	240,266
Narcotic seizure fees	49,301	-	49,301
Other	966,984	-	966,984
TOTAL REVENUES	<u>7,979,717</u>	<u>901,431</u>	<u>8,881,148</u>
<u>EXPENDITURES</u>			
General Government:			
Current operating:			
Personnel service	6,369,566	837,761	7,207,327
Auto and equipment	380,411	16,330	396,741
Supplies and office	242,929	13,902	256,831
Other	304,349	32,881	337,230
Capital outlay	501,131	1,198	502,329
TOTAL EXPENDITURES	<u>7,798,386</u>	<u>902,072</u>	<u>8,700,458</u>
<u>EXCESS OF REVENUES OVER (UNDER)</u>			
<u>EXPENDITURES</u>	<u>181,331</u>	<u>(641)</u>	<u>180,690</u>
 Fund balances - beginning of year	 <u>3,406,045</u>	 <u>317,601</u>	 <u>3,723,646</u>
 Fund balances - end of year	 <u>\$ 3,587,376</u>	 <u>\$ 316,960</u>	 <u>\$ 3,904,336</u>

The accompanying notes are an integral part of this financial statement.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS'
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007**

Revenue and Other Sources		
Over Expenditures and Other Uses		180,690
Capital Assets:		
Post-retirement benefit expense for year ended December 31, 2007		(800,416)
Capital outlay capitalized	502,329	
Depreciation expense for year ended December 31, 2007	<u>(145,410)</u>	<u>356,919</u>
Change in Net Assets - Governmental Activities		<u><u>(262,807)</u></u>

The accompanying notes are an integral part of this financial statement.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

STATEMENT OF FIDUCIARY NET ASSETS

DECEMBER 31, 2007

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 7,875
Due (to)from other funds	<u>(441)</u>
TOTAL ASSETS	<u>\$ 7,434</u>
 <u>LIABILITIES</u>	
Due to other governmental units	<u>\$ 7,434</u>
TOTAL LIABILITIES	<u>\$ 7,434</u>

The accompanying notes are an integral part of this financial statement.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the district attorney has charge of every criminal prosecution by the state within his district, is the representative of the state before the grand jury in his district, is legal advisor to the grand jury, and performs other duties as provided by law. The Nineteenth Judicial District encompasses the parish of East Baton Rouge, Louisiana.

A. Basis of Presentation

The accompanying basic financial statements of the 19th Judicial District Attorney have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999.

B. Financial Reporting Entity

For financial reporting purposes, in conformance with GASB Codification Section 2100, the District Attorney of the Nineteenth Judicial District (the District Attorney) is a part of the district court system in the State of Louisiana. However, the District Attorney operates autonomously from the State of Louisiana and independently from the district court system. Therefore, the District Attorney reports as an independent reporting entity.

As the governing authority of the parish, for reporting purposes, the City-Parish of Baton Rouge is the financial reporting entity for East Baton Rouge Parish. The financial reporting entity consists of (a) the primary government (City-Parish), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the City-Parish of Baton Rouge for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the City-Parish to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City-Parish.
2. Organizations for which the City-Parish does not appoint a voting majority but are fiscally dependent on the City-Parish.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Reporting Entity (continued)

Because the City-Parish provides a significant amount of financial revenues, the District Attorney was determined to be a component unit of the City-Parish of Baton Rouge, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District Attorney and do not present information on the City-Parish, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

The District Attorney is elected by the qualified electors of the judicial district for a term of six years.

C. Fund Accounting

The district attorney uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain district attorney functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds account for all of the district attorney's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the district attorney. The following are the district attorney's governmental funds:

General Fund

The General Fund was established in compliance with Louisiana Revised Statute (R.S.) 15:571.11, which provides that 12% of the fines collected and bonds forfeited be transmitted to the District Attorney to defray the necessary expenditures of the District Attorney. The General fund accounts for the operations of the District Attorney's office.

Special Revenue Fund

The Special Revenue Fund consists of grants from the Louisiana Department of Social Services, authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the social security act. The purpose of the fund is to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting (continued)

Fiduciary Fund Type

Agency Fund

Agency Funds are used to account for assets held by the Office of the District Attorney as an agent for other governments and/or other funds. The Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The District Attorney has established the following agency fund:

Narcotic Seizure Account

The District Attorney's Narcotic Seizure Account is used to account for assets awarded by court judgments as a result of seizures and forfeitures of property in successfully prosecuted narcotics and other criminal investigations. The proceeds are held in custody by the District Attorney for distribution as provided under applicable Louisiana Statutes.

D. Basis of Accounting / Measurement Focus

The Government Wide Financial Statements (GWFS) were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB No. 33, *Accounting and Financial Reporting for Non-exchange transactions*.

Program Revenues

Program revenues included in the Statement of Activities derive directly from parties outside the District Attorney's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the school board's general revenues.

Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting / Measurement Focus (continued)

Fund Financial Statements (FFS) (continued)

Governmental and Agency Funds are accounted for on the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized in the accounting period in which they become susceptible to accrual - that is, when they become measurable and available to pay current period liabilities. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Commissions on fines and bond forfeitures are reported in the year they are collected by the tax collector. Grants and state appropriations are recorded when the District Attorney is entitled to the funds. Interest income on investments is recorded when earned. Substantially all other revenues are recorded when received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Costs of accumulated unpaid vacation, sick leave and other employee benefit amounts are reported in the period due and payable rather than the period earned by employees, and general long-term obligations principal and interest payments are recognized only when due.

Transfers between funds that are not expected to be repaid are accounted for as other financing sources.

E. Budgets and Budgetary Accounting

The District Attorney follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with the Municipal Budget Act of the State of Louisiana, the District Attorney prepares operating budgets for the general and special revenue funds at least fifteen days prior to the commencement of the budgetary fiscal year. The operating budgets include proposed expenditures and the means of financing them for the upcoming year.
2. The budgets are available for public inspection for a fifteen day period prior to a public hearing held to obtain taxpayer comment.
3. The budgets are adopted at the public hearing and are authorized for implementation on the first day of the fiscal year.
4. The budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).
5. The budgets may be revised during the year as estimates regarding revenues and expenditures change.
6. Appropriations lapse at the end of each fiscal year.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Compensated Absences

On January 1, 1987, the District Attorney adopted a policy for leave benefits which allows a maximum of 15 days of vacation leave per calendar year to be earned. Employees may accumulate a maximum of 80 hours to be carried forward to a succeeding calendar year. Upon termination, employees are paid for their unused vacation leave. Sick leave is allowed to accrue and accumulate. However, such sick leave benefits are payable only upon absence from work for medical reasons. Upon termination, accumulated sick leave lapses, and no payments are made for the unused accumulations. Under the leave policy adopted, accrual of unused vacation leave in the financial statements is required in accordance with GASB Statement No. 16. However, accrual of unused sick leave is not required since the amount accumulated lapses upon termination.

G. Cash and Certificates of Deposit

Cash includes amounts in demand deposits, interest-bearing demand deposits, and certificates of deposit. Under state law, the District Attorney may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

H. Capital Assets

All capital assets are capitalized at historical cost, or eliminated historical costs for assets where actual cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District Attorney maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are recorded in the GWFS, but are not reported in the FFS. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed by the District Attorney, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 5 to 7 years.

I. Operating Transfers In and Out

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the transfers are accounted for through the various due from and due to accounts.

J. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. New Accounting Standard

During the year ended December 31, 2007, the District Attorney adopted GASB Statement No. 45 ("GASB 45") *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which was issued in 2004. This statement establishes standards for the measurement, recognition, and display of OPEB costs and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers. OPEB includes postemployment healthcare, as well as other forms of postemployment benefits (e.g., life insurance) when provided separately from a pension plan. The approach followed in the Statement generally is consistent with the approach adopted in Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, with modifications to reflect differences between pension benefits and OPEB. GASB 45 improves the relevance and usefulness of financial reporting by: (i) recognizing the cost of benefits in periods when the related services are received by the employer; (ii) providing information about the actuarial accrued liabilities for promised benefits associated with past services and whether and to what extent those benefits have been funded; and (iii) providing information useful in assessing potential demands on the employer's future cash flows.

The financial reporting impact resulting from the implementation of GASB 45 was the recognition of an additional expense and liability of \$800,416 in the District Attorney's financial statements.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

2. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2007 are as follows:

	<u>Furniture and Equipment</u>	<u>Vehicles</u>	<u>Total</u>
Cost of capital assets, December 31, 2006	\$ 766,802	\$ 929,361	\$1,696,163
Additions	29,407	472,922	502,329
Deletions	(-)	(429,900)	(429,900)
Cost of capital assets, December 31, 2007	<u>\$ 796,209</u>	<u>\$ 972,383</u>	<u>\$1,768,592</u>
Accumulated depreciation, December 31, 2006	\$ 642,258	\$ 813,297	\$1,455,555
Additions	32,724	112,686	145,410
Deletions	(-)	(429,900)	(429,900)
Accumulated depreciation, December 31, 2007	<u>\$ 674,982</u>	<u>\$ 496,083</u>	<u>\$1,171,065</u>
Capital assets, net of accumulated depreciation, at December 31, 2007	<u>\$ 121,227</u>	<u>\$ 476,300</u>	<u>\$ 597,527</u>

Depreciation expense of \$145,410 for the year ended December 31, 2007 was charged to the following governmental functions:

Public service	\$ 125,724
Title IV-D	<u>19,686</u>
	<u>\$ 145,410</u>

3. EXPENDITURES OF THE DISTRICT ATTORNEY'S OFFICE NOT INCLUDED IN THE ACCOMPANYING FINANCIAL STATEMENTS

The accompanying financial statements do not include certain expenditures of the District Attorney paid from funds of the City of Baton Rouge and the Parish of East Baton Rouge. These expenditures for the year ended December 31, 2007 are as follows:

City-Parish of East Baton Rouge:	
Contract services	\$ 51,449
Total	<u>\$ 51,449</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

4. ON-BEHALF PAYMENTS FOR SALARIES AND FRINGE BENEFITS

For the year ended December 31, 2007, the District Attorney recorded on-behalf payments from the following sources:

City-Parish of East Baton Rouge	
Salaries	\$ 2,757,272
Pensions	274,767
Insurance	<u>722,740</u>
Total	<u>\$ 3,754,779</u>
 State of Louisiana	
Salaries	<u>\$ 1,831,065</u>

5. INTERFUND TRANSACTIONS

The following is a summary of amounts due from and due to other funds at December 31, 2007:

	<u>Due From</u>	<u>Due To</u>
General Fund		
District Attorney's Narcotic Seizure Fund	\$ 441	\$ -
Agency Fund		
General Fund	<u>-</u>	<u>441</u>
	<u>\$ 441</u>	<u>\$ 441</u>

6. CASH AND CERTIFICATES OF DEPOSIT

Custodial credit risk is the risk that in the event of a financial institution failure, the District Attorney's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of December 31, 2007, the District Attorney's deposits were not exposed to custodial credit risk.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

7. DEFINED-BENEFIT PENSION PLANS

The district attorney and assistant attorneys, whose salaries are paid by the State of Louisiana and the Office of the District Attorney, are members of the Louisiana District Attorneys' Retirement System. This retirement system is a multiple employer cost sharing, defined-benefit, statewide public employee retirement system administered and controlled by a separate board of trustees.

The Louisiana District Attorneys' Retirement System (LDARS) provides retirement benefits as well as disability and survivor benefits. Benefits are established and amended by the state statute. The LDARS issues a publicly available financial report that includes financial statements and required supplementary information for the LDARS. That report may be obtained by writing to the District Attorneys' Retirement System, 1645 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225) 267-4824.

Plan members are required to contribute 7.0% of their annual covered salary and the district attorney is required to contribute an actuarially determined rate. Member contributions and employer contributions for the LDARS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. There were no employer contributions required for 2007, 2006, or 2005.

Certain other employees, whose salaries are paid by the Office of the District Attorney, are members of the City of Baton Rouge and the East Baton Rouge Employees' Retirement System. The system administers a cost-sharing multiple-employer defined benefit pension plan. Pertinent information relative to the plan follows:

Plan Description. Any person who becomes a regular full-time employee, excluding commissioned law enforcement officers, becomes a member of the Retirement System as a condition of employment. An employee's benefit rights vest after the employee has been a member of the Retirement System for 10 years. There are two categories of benefit payments. Full retirement benefits are granted with 25 years of service, regardless of age. Minimum eligibility requirements are granted with 20 years of service regardless of age; or at age 55 with 10 years of service. Benefits are established and amended by state statute. The Retirement System issues a publicly available financial report that includes financial statements and required supplementary information, which includes the regular account and the police guaranty trust account. Both trust accounts are administered by the CPERS Board. The financial report may be obtained by writing to the Employees' Retirement System, Post Office Box 1471, Baton Rouge, Louisiana 70821-1471.

Funding Policy. The plan requires that the Retirement System be funded on an actuarially sound basis. Under the current plan, both employee and employer contributions are set by the CPERS board on an annual basis to properly fund the system. In 2007, employees made a mandatory contribution of 9.5% of gross earnings, while the employer contributed 9.18% of active payroll. The total employer contributions to CPERS for the year ended December 31, 2007, 2006, and 2005 were \$274,766, \$265,006, and \$223,933, respectively. This was equal to the statutorily required contributions.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

8. FEDERAL FINANCIAL ASSISTANCE PROGRAM

The District Attorney participates in the United States Department of Health and Human Services Support Enforcement, Title IV-D Program, Catalog of Federal Domestic Assistance No. 93.563. This program is funded by indirect assistance payments, in the form of both incentive payments and reimbursements of a portion of certain expenditures, received from the Louisiana Department of Social Services. Beginning July 1998, the State eliminated incentive payments and began paying 100% of reimbursement requests. For the year ended December 31, 2007, the District Attorney for the Nineteenth Judicial District expended \$886,036 in reimbursement payments.

The reimbursement payments are restricted by a formal agreement between the District Attorney and Department of Social Services and includes a budget of expected expenditures for each fiscal year ending June 30. The District Attorney submits reimbursement requests to the Department of Social Services on a monthly basis.

There are no restrictions on how incentive payments may be expended, except as may be required by state law for any other funds of the District Attorney. However, these payments, as well as the reimbursement payments, may be subjected to further review and audit by the federal grantor agency. No provision has been made in the financial statements for the reimbursement of any expenditures that may be disallowed as a result of such a review or audit.

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Effective with the year beginning January 1, 2007, the District Attorney prospectively implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions* (GASB 45). The Statement establishes standards for the measurement, recognition, and display of OPEB costs/contributions and related liabilities (assets), note disclosures, and, if applicable, required supplementay information in the financial reports of state and local governmental employers.

All classified and unclassified employees of the City-Parish primary government, and certain employees of the District Attorney of the Nineteenth Judicial District, the Nineteenth Judicial District Court, EBR Parish Family Court, EBR Parish Juvenile Court, Brownsfield Fire Protection District and Alsen-St. Irma Lee Fire Protection discretely presented component units may at their option participate in the employees' group life, health, and dental insurance programs sponsored by the government and administered by the City-Parish Human Resources Department along with outside third-party insurance providers or administrative agents. Both employee/retiree premiums and the employer contribution toward the premiums are set each year in the Metropolitan Council approved budget.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

9. **OTHER POSTEMPLOYMENT BENEFITS (OPEB)** (continued)

Plan description of the primary government:

The District Attorney is a component unit of The City-Parish and a member of the health benefits program. The City-Parish OPEB Plan is a single-employer defined benefit "substantive plan" as understood by past practices of the employer and its employees. Although no written plan or trust currently exists or is sanctioned by law the OPEB plan is reported based on communications to plan members.

Retirees may continue coverage in accordance with Parish Resolution 10179 adopted by the Parish Council on December 13, 1972 and amended by Metropolitan Council Resolution 42912 adopted November 12, 2003. Based on current practices, upon retirement, a totally vested employee may continue his coverage paying the same premiums and receiving the same benefits as active employees. The government pays the following percentages of scheduled premiums:

<u>Years of Service</u>	<u>Vested Percentage</u>
Fewer than 10	25%
10-15 years	50%
15-20 year	75%
Over 20 years	100%

Funding policy:

The contribution requirements of the employees/retirees and the participating City-Parish employers are established in the annual operating budget and may be amended in subsequent years. During 2007, the health/dental plan was funded with employees and retirees contributing 25%-38% of the health and dental premium and the City-Parish contributing 62%-75% of the health and dental premium, dependent upon the number of family members covered. One hundred percent of required premiums on the \$3,000 retiree life insurance policy is funded by the employer. Effective January 1, 2003, the employer portion of pay-as-you-go OPEB insurance premiums are allocated over all employers and funds that participate in the OPEB Plan.

The District Attorney's employer contribution to the OPEB plan for 2007 totaled \$210,177; or approximately 8.42% of gross payroll as approved by the Metropolitan Council in the 2007 operating budget. There is no retiree contribution to the OPEB plan other than the retiree share of insurance premiums paid monthly, which is the same as the active employees share.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

9. **OTHER POSTEMPLOYMENT BENEFITS (OPEB)** (continued)

Annual OPEB Cost and Net OPEB Obligation:

The City-Parish's annual OPEB cost (expense) was calculated based on the *annual required contribution* of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over the actuarial amortization period. Since 2007 was the initial year of implementation for GASB 45, there was no net OPEB obligation at the beginning of the year and only one year of trend information is available. These components of OPEB were allocated to the District Attorney based on its proportionate share of total contributions made in the previous year. The following table shows the components of the District Attorney's annual OPEB cost for the year and the amount actually contributed to the plan during the year:

Annual required contribution (ARC)		\$ 1,010,532
Interest on net OPEB obligation		-
Adjustment to ARC		-
Annual OPEB cost (expense)		1,010,532
Less: Contributions made		(210,117)
Increase in net OPEB obligation		800,415
Net OPEB obligation-end of year		\$ 800,415

Trend Information for OPEB Plan:

<u>Fiscal</u> <u>Year</u> <u>Ending</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligation</u>
12/31/07	\$1,010,532	21%	\$800,416

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Funding status and funding progress:

As of January 1, 2007, the most recent actuarial valuation date, the plan was zero percent funded. The District Attorney's allocated portion of the actuarial accrued liability for benefits was \$14,399,131 with no valued assets, resulting in an unfunded actuarial accrued liability (UAAL) of the same amount. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision and actual results are compared with past expectations and new estimates are made about the future.

Required Supplementary Information
Schedule of Funding Progress
For the OPEB Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
01/01/07	-0-	\$14,399,131	\$14,399,131	00.0%	\$2,598,606	554.1%

Actuarial methods and assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The individual entry age-normal cost method was used for the January 1, 2007, actuarial valuation. Because the government currently finances OPEB using a pay-as-you-go approach, the discount rate is based on the historical (and expected investment that are expected to be used in financing the payment of benefits). The actuarial assumptions included a four percent investment rate of return, compounded annually. Life expectancies were based on the 1994 Group Annuity Mortality Table set forward two years. Turnover rates were based on the government's historical data and modified based on years of employment. Probabilities of disability were calculated in accordance with the Eleventh Actuarial Valuation of the Railroad Retirement System with adjustments for fire and police.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Both historical retiree claim costs and year 2007 retiree health insurance premiums were used as the basis for calculation of the present value of total benefits to be paid. In addition to a general inflation rate of 3.75 percent, the plan assumed a medical inflation rate of eight percent beginning in 2005, decreasing one percent per year through 2013. The actuarial valuation also assumes that (1) eighty percent of employees are assumed to be married at retirement; (2) female spouses are assumed to be three years younger than males; (3) eighty percent of employees married at retirement will elect spouse's coverage; (4) zero percent of employees will have dependent children at retirement; and (5) one hundred percent of employees will elect Medicare coverage when they are first eligible.

The amortization method for the plan is a level percentage of payroll with a thirty year open amortization. The expected long-term payroll growth rate was estimated at 2.5 percent, compounded annually. The remaining amortization period at January 1, 2007, was thirty years.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2007

	Original	Final	Actual	Variance with Final Budget Favorable (Unfavorable)
<u>REVENUES</u>				
Fines and forfeitures	\$ 750,000	\$ 750,000	\$ 947,462	\$ 197,462
Interest	100,000	100,000	160,660	60,660
Intergovernmental revenue:				
Incentive payments	-	-	29,200	29,200
City of Baton Rouge	3,507,000	3,507,000	3,754,779	247,779
State of Louisiana	1,577,500	1,577,500	1,831,065	253,565
Check collection fees	150,000	180,000	240,266	60,266
Narcotic seizure fees	40,000	40,000	49,301	9,301
Other	641,000	141,000	966,984	825,984
Total Revenues	<u>6,765,500</u>	<u>6,295,500</u>	<u>7,979,717</u>	<u>1,684,217</u>
<u>EXPENDITURES</u>				
General Government:				
Current operating:				
Personnel service	6,000,000	6,200,000	6,369,566	(169,566)
Auto and equipment	280,000	400,000	380,411	19,589
Supplies and office	160,000	160,000	242,929	(82,929)
Other	190,000	285,000	304,349	(19,349)
Capital outlay	200,000	525,000	501,131	23,869
Total Expenditures	<u>6,830,000</u>	<u>7,570,000</u>	<u>7,798,386</u>	<u>(228,386)</u>
<u>EXCESS OF REVENUES OVER (UNDER)</u>				
<u>EXPENDITURES</u>	<u>(64,500)</u>	<u>(1,274,500)</u>	<u>181,331</u>	<u>1,455,831</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(DEFICIENCY) OF REVENUES AND OTHER SOURCES</u>				
<u>OVER EXPENDITURES AND OTHER USES</u>	<u>(64,500)</u>	<u>(1,274,500)</u>	<u>181,331</u>	<u>1,455,831</u>
<u>FUND BALANCES</u>				
Beginning of year	<u>1,854,194</u>	<u>3,400,000</u>	<u>3,406,045</u>	<u>6,045</u>
End of year	<u>\$ 1,789,694</u>	<u>\$ 2,125,500</u>	<u>\$ 3,587,376</u>	<u>\$ 1,461,876</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2007

	Original	Final	Actual	Variance with Final Budget Favorable (Unfavorable)
<u>REVENUES</u>				
Interest	\$ -	\$ -	\$ 11,570	\$ 11,570
Intergovernmental revenue:				
Louisiana Department of Social Services	846,600	846,600	889,861	43,261
Total Revenues	<u>846,600</u>	<u>846,600</u>	<u>901,431</u>	<u>54,831</u>
<u>EXPENDITURES</u>				
General Government:				
Current operating:				
Personnel service	814,464	814,464	837,761	(23,297)
Auto and equipment	-	-	16,330	(16,330)
Travel	1,500	1,500	1,576	(76)
Supplies and office	26,636	26,636	13,902	12,734
Other	4,000	4,000	31,305	(27,305)
Capital outlay	-	-	1,198	(1,198)
Total Expenditures	<u>846,600</u>	<u>846,600</u>	<u>902,072</u>	<u>(55,472)</u>
<u>EXCESS OF REVENUES OVER (UNDER)</u>				
<u>EXPENDITURES</u>	<u>-</u>	<u>-</u>	<u>(641)</u>	<u>(641)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(DEFICIENCY) OF REVENUES AND OTHER SOURCES</u>				
<u>OVER EXPENDITURES AND OTHER USES</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES</u>				
Beginning of year	313,656	313,656	317,601	3,945.00
End of year	<u>\$ 313,656</u>	<u>\$ 313,656</u>	<u>\$ 316,960</u>	<u>\$ 3,304</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2007

<u>Federal Grantor Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity's Identifying Number</u>	<u>Federal Expenditures</u>
U. S. Department of Health and Human Services Passed Through the Louisiana Department of <u>Social Services</u>			
Child Support Enforcement Title IV-D	93.563	DSS #02148	\$ 889,861

Note A - Basis of Presentation

The schedules of expenditures of federal awards include the federal grant activity of District Attorney of the Nineteenth Judicial District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Note B - Reconciliation to Financial Statements

The expenditures for the Title IVD program are reported on the Statement of Revenues, Expenditures, and changes in Fund Balances as expenditures of \$889,861 and no transfers out.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2007

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the District Attorney of the Nineteenth Judicial District.
2. We disclosed no significant deficiencies in the report on compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the District Attorney of the Nineteenth Judicial District were disclosed during the audit.
4. No significant deficiencies were disclosed during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award program for the District Attorney of the Nineteenth Judicial District expresses an unqualified opinion on the major federal program.
6. There were not any audit findings relative to the major federal award program.
7. The program tested as a major program is: Title IV-D, CFDA Number 93.563.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The District Attorney of the Nineteenth Judicial District was not determined to be a low-risk auditee.
10. No Management Letter was issued for the year ended December 31, 2007.

FINDINGS – FINANCIAL STATEMENT AUDIT

None.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

None.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2007

FINDINGS RELATED TO FINANCIAL STATEMENT AUDIT

2006 – 1: Segregation of Duties Resolved.

FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

None.